

Revision of Distilled Spirits Plant Regulations

By Dan Hiland (202) 927-8210

ATF's Regulations Division recently began a major project aimed at revising and updating the regulations governing distilled spirits plants. This will be the first major revision of the regulations in 20 years. The aim of the project is to review all of the regulations in 27 CFR Part 19 with the goal of removing costly government requirements that have become outdated, while continuing to protect the revenue. □

Breweries Still Cropping Up All Over

By Allen McClaskey (513) 684-3334

Breweries come in all sizes -- from small, intimate brewpubs to the large multi-site brewery operations that span the whole country. A recent check showed that there are 1,921 breweries authorized to operate at this time. Some of the smaller ones go into and out of business so quickly, it is difficult to know how many of these are actually active at any given point in time. In the current fiscal year, ATF has authorized more than 200 new brewery operations. As of this writing California is the state with the most operating breweries, distantly followed by Colorado, Washington and Florida. Excise tax collections from breweries was approximately 26% of ATF's total excise tax collections for the latest fiscal year. □

ALFD Meets With Industry Members



By Susan Stewart (202) 927-8140

On August 10, 2000, members of the Alcohol Labeling & Formulation Division (ALFD) met with 11 of our walk-in customers at Bureau Headquarters in Washington, DC, to address topics of mutual interest. Most of these customers are not industry members themselves, but are commercial outfits, trade associations or law firms that represent industry members. We offer walk-in service Monday through Friday between the hours of 10 a.m. to noon and 1 p.m. to 3 p.m. Label and formula applications that are brought to us by walk-in customers receive the same level and speed of customer service as those that we receive by mail. Walk-in services are available to any industry member or their representatives. Items discussed at this meeting include a briefing on our plans regarding e-filing of label and formula applications, label expedite requests, proper completion of label application forms, and a discussion of what is and what is not working regarding our recent reorganization. We intend to hold these meetings every three to four months and continue to exchange feedback on interaction between ALFD and our customers. If you would like more details of what was discussed at this meeting, please call our Customer Service Team at (202) 927-8140. □

Revision of COLA Form and Label Correction Sheet Planned

By Susan Stewart (202) 927-8140

In response to a request from The National Association of Beverage Importers, the Alcohol Labeling & Formulation Division is revising the COLA form to allow an additional change you may make to labels that will NOT require new label approval. Once this form is published and available, you will NOT need new label approval when you change, add or delete pictorial or graphic illustrations on the label, unless they are part of the mandatory information. We have not yet defined fully "graphic illustrations", but what we are trying to accomplish is allowing you to make changes regarding "pictures" on your labels without having to resubmit. We are also in the process of revising and updating ATF Form 5100.31, Application for and Certification/Exemption of Label/Bottle

Approval (COLA), and ATF Form 5100.35, ATF F 5100.31 Correction Sheet. We would like input and suggestions from industry members or their representatives on how to make these forms more "user-friendly" or understandable. Please submit your comments to us by September 30, 2000. By mail to: Bureau of Alcohol, Tobacco & Firearms, Alcohol Labeling & Formulation Division, Attention: Customer Service Team, Room 5200, Washington, DC 20026 or by calling us at (202) 927-8140 or by e-mail to alfb@atfhq.atf.treas.gov. □

ATF Settles Bronco Case

By Marti McKee (415) 744-7001

ATF has accepted a \$750,000 "Offer-in-Compromise" to settle issues disclosed during a four year investigation into misleading labeling and advertising practices by Bronco Wine Company.

(Continued on page 2)



Viticultural Areas and Grape Variety Petitions in Review

By Jennifer Berry and Lisa Gesser (202) 927-8210

Petitions to establish the following viticultural areas are in review:

Buena Vista Lake, CA; California Coast, CA; Capay Valley, CA; Diamond Mountain, CA; Fair Play, CA; Long Island, NY; Oak Knoll District, CA; River Junction, CA; Rockpile, CA; Russian River Valley, CA; Santa Barbara Highlands, CA; and Seneca Lake, NY.

Petitions to establish the following grape varieties are in review:

Counoise (France); Fiona (Italy); St. Laurent (Austria); Touriga Francesa (Portugal); and Touriga Nacional (Portugal). □

Bronco... (Continuation from page 1)

The case began in 1996 after ATF received complaints about Bronco Wine Company's use of their Rutherford Vineyards brand labels. Rutherford is an ATF recognized viticultural area. The Bronco brand in question did not contain wine that met the appellation of origin requirements for the Rutherford viticultural area. Under Federal law and regulations, wine labeled with a named viticultural area, such as Rutherford, must be at least 85% derived from grapes grown in that named area. The case also involved two other Bronco brands, Napa Creek and Forest Glen. All together in excess of 500,000 cases of wine were bottled and labeled during 1995, 1996 and 1997 that were part of this investigation. □

International Wine Negotiations Continue

By Dick VanLoan (202) 927-8110

OIV Update

An International Conference concerning the creation of a new charter for the International Office of the Vine and Wine (OIV) took place in Paris, France, on June 14-15 and June 22, 2000. Much discussion took place concerning the proper role for the OIV in the international community. Discussions also focused on how to make the OIV more efficient and transparent including whether English and Spanish should be included with French as official languages of the OIV. Although the talks were beneficial and allowed the participants to discuss a multitude of ideas for improving the organization, member states are still far apart on reaching an agreement. The International Conference is tentatively scheduled to resume on October 16-17, 2000, in Paris, where it is hoped that agreement can be reached on all outstanding issues. In addition to the International Conference, the OIV held its 25th World Congress of the Vine and Wine during the week of June 19-22, 2000. The theme of the World Congress was "Which Wines for the 3rd Millennium" and this theme was broken down into four sections including viticulture, winemaking, vine and wine economics, and wine and health. The World Congress included many presentations and poster board displays on the various subjects associated with the main theme of the Congress. The Congress was very informative and was well attended by the Government, the media, and industry personnel in the vine and wine sector.

The 80th General Assembly of the OIV took place on June 23, 2000. Among the more important items taken up at the meeting included discussion of a number of proposed OIV resolutions, election of officers, and discussion of the OIV budget for calendar year 2001. After several modifications of some of the proposed resolutions, they were all unanimously adopted. After a close election for the OIV Presidency, which included a candidate from the United States, the candidate from Argentina, Mr. Felix Roberto Aguinaga, was elected President of the OIV. Other elections for OIV Commission presidents had to be delayed until October due to a lack of time. Also, final action on a proposed budget for calendar year 2001 had to be delayed. Election of OIV Commission presidents and final action on an OIV budget for calendar year 2001 is expected to take place at a special General Assembly meeting scheduled for October 19, 2000. □

Label Adoption Requests

By Linda Evans (202) 927-8140

When one company (Co. A) requests authorization to use another company's (Co. B) labels, certain information, documentation, etc., is necessary before we can issue or consider issuing a limited approval. In such a situation, be sure you have the following:

1. Label application from Co. A, Item 3 of application will show Co. A's name and address. Label affixed to application will show B's name and address.
2. Letter from Co. A requests use of Co. B's label(s). This letter should include:
 - a. Reason and justification for request.
 - b. Quantity of labels in inventory.
 - c. Approximate time needed to use up current inventory of labels.
3. Letter from Co. B authorizing Co. A to use its labels.
4. Copy of Co. A's permit showing adoption of any trade names used by Co. B in its labels (Note: Trade name/dba should also be shown in Item 3 of Co. A's label application.)
5. Label(s) affixed to Co. A's label application must be notched in some manner to differentiate between product imported/bottled by Co. A and B.

Please discuss adoption requests with Senior Specialist and/or Branch Chief issuing the approval. □